

AGENDA REQUEST FORM
The School Board of Broward County, Florida

Additional information
to be forthcoming
Deferred 7/15/03

Meeting Date 8/5/03	Open Agenda ___Yes ___No	Time Certain Request ___Yes ___No	Agenda Item Number D1
-------------------------------	------------------------------------	---	---------------------------------

TITLE: Review of the Payroll Processes, Overtime and SAP/R3 HR Payroll Application

REQUESTED ACTION: Receive Review of the Payroll Processes, Overtime and SAP/R3 HR Payroll Application.

SUMMARY EXPLANATION AND BACKGROUND:

In accordance with the 2002-2003 Audit Plan, the Office of Management/Facility Audits performed a "Review of the Payroll Processes, Overtime and the SAP/R3 HR Payroll Application." It includes a review of the payroll processes, which included a review of employee's covered under the Fair Labor Standards Act of 1938 (FLSA), overtime procedures and payments, site visits and a review of various SAP/R3 HR Payroll Application records and available payroll reports. The objectives of the review were to determine whether current payroll processes and related internal controls have been established and are adequate, pursuant to sound business practices and are in compliance with applicable laws, regulations, and Board Policy, and to determine whether the organizational structure and payroll processes were adequate to assure that the operations were proficiently executed.

We noted a significant weakness in the control environment as it relates to the payroll processes, overtime and the SAP/R3 HR Payroll Application. We identified several payroll processes that need to be corrected in order to comply with the Fair Labor Standards Act of 1938 (FLSA) and improve payroll processes and overtime payments. In addition, we found several practices in the District that have an impact on the overall payroll functions which need to be addressed to enhance operations and/or improve internal controls. We have made several recommendations to remedy these conditions.

The Audit Committee reviewed and approved this report for transmittal to the School Board during the Committee's June 20, 2003 meeting.

MAJOR SYSTEM GOALS:

___Goal One: All students will achieve at their highest potential.
 ___Goal Two: All schools will have equitable resources.
 ✓Goal Three: All operations of the school system will support and align with student achievement and needs.
 ✓Goal Four: All stakeholders work together to build a better school system.

FINANCIAL IMPACT:

There is no financial impact to the School District.

EXHIBITS: (List)

Audit Report prepared by Office of Management/Facility Audits.
 Supplemental Follow-up Report

BOARD ACTION RECEIVED (For Official School Board Records' Office Only)	SOURCE OF ADDITIONAL INFORMATION Patrick Reilly Name _____ Phone 765-6421
--	--

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF MANAGEMENT/FACILITY AUDITS
 Patrick Reilly, Executive Director
 Approved on Open Board Meeting on: *PR* **AUG - 5 2003**

By: *Shaw Robinson*, School Board Chair

FT/Reilly/Shaw/Robinson